

“Among the total child population in the region, more than 45 percent are immigrants’ second generation descendants.”

POPULATION



Growth Characteristics

During the year 2004, the SCAG region continued to grow significantly with an increase of 284,000 residents, just over 10 percent of the total growth in the nation (Figure 1). By the end of 2004, total population in the region reached over 18 million, representing 6.1 percent of the population in the nation and close to half in the state. Among the 50 states, the region would rank fourth in total population following California, Texas and New York, and ahead of Florida.

Figure 1

Population Increase: 2003 and 2004 (Thousands)

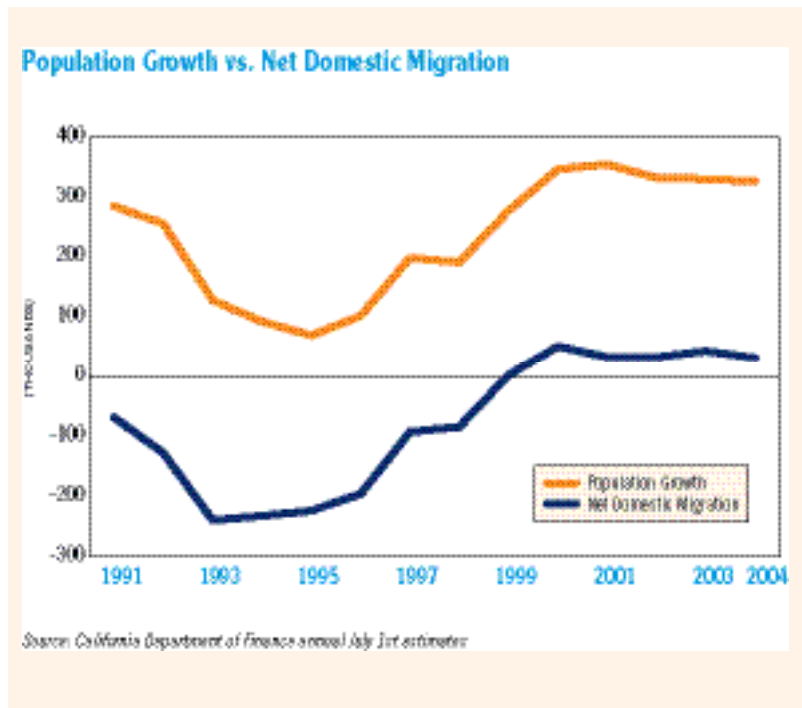
COUNTY	1/1/2003	1/1/2004	1/1/2005	2003 Increase		2004 Increase	
				Number	Percent	Number	Percent
Imperial	152.3	157.1	161.8	4.8	3.2%	4.7	3.0%
Los Angeles	9,979.4	10,107.5	10,226.5	128.1	1.3%	119.0	1.2%
Orange	2,983.7	3,022.6	3,066.9	38.9	1.3%	34.3	1.1%
Riverside	1,726.8	1,807.9	1,877.0	81.1	4.7%	69.1	3.8%
Ventura	793.9	804.5	813.1	10.6	1.3%	8.6	1.1%
San Bernardino	1,842.9	1,897.9	1,946.2	55.0	3.0%	48.3	2.5%
REGION	17,479.0	17,797.5	18,081.5	318.5	1.8%	284.0	1.6%
Rest of California	18,212.4	18,473.6	18,728.9	261.2	1.4%	255.3	1.4%
California	35,691.4	36,271.1	36,810.4	579.7	1.6%	539.3	1.5%
U.S.	289,427.0	292,324.7	295,160.3	2,897.7	1.0%	2,835.6	1.0%

Since 1990, annual population growth in the region has varied significantly (Figure 2). Between 1991 and 1995, population growth plummeted from over 280,000 annually to only 70,000 mainly due to the sharp increase of net domestic outmigration caused by the severe recession.¹ Between 1995 and 1999, net domestic outmigration decreased continuously and in 1999 the region began to experience a small net

domestic in-migration. Accordingly, population growth began to accelerate, increasing from about 70,000 in 1995 to 350,000 in 2000. Since 2000, population growth in the region has been slowing slightly. Nevertheless, the average annual growth of 320,000 between 2000 and 2004 was the highest in the region since 1950.



Figure 2



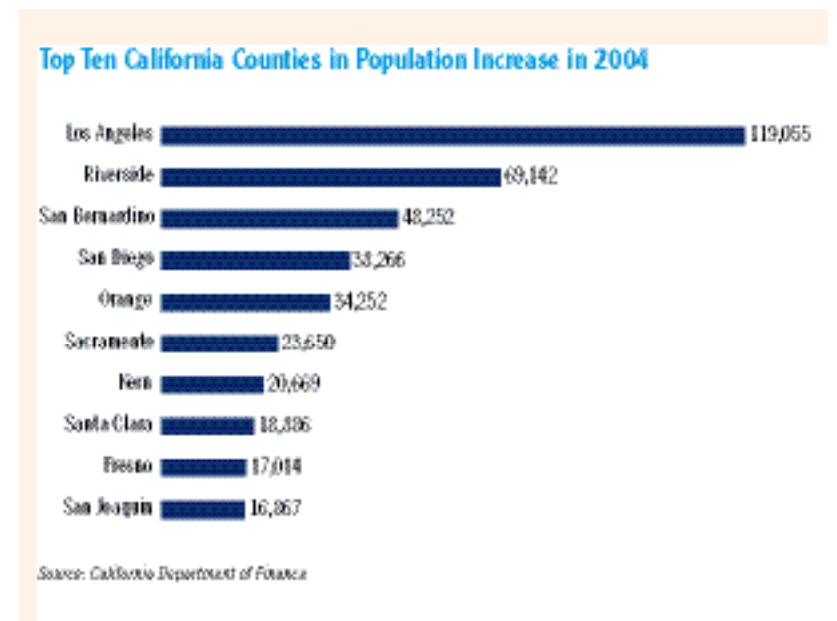
As to the region's share of population growth in the nation, it also fluctuated widely between 1990 and 2004 because of the significant fluctuation in the region and relatively stable growth in the nation. Specifically, the region's share of national population growth dropped from about 8 percent in 1991 to its lowest level at 2.5 percent in 1994 and then increased to its peak of 11.5 percent in 2001.

The region has continued to grow at a faster rate than the rest of the state and the nation since 1998. *In 2004, population growth at 1.6 percent in the region continued to be higher than that of the rest of the state (1.4 percent) as well as the nation (1 percent).* Compared to the national average, while the three coastal counties (Los Angeles, Orange and

Ventura) grew only at slightly higher rates, the three inland counties (Riverside, San Bernardino and Imperial) together grew more than three times faster. Between 2000 and 2004, Southern California experienced the second highest growth rate among the nine largest metropolitan regions, following only the Dallas region (see Figure 73).

Population growth in the region in 2004 accounted for 53 percent of the total increase in the state. *Four of the top five California counties in population increase were in the SCAG region, including Los Angeles, Riverside, San Bernardino and Orange counties* (Figure 3). Two neighboring counties of the SCAG region also made it into the top ten, including San Diego County (4th) and Kern County (7th). Another neighboring county, Santa Barbara, only increased 4,100 people during 2004. In contrast, only two counties in northern California made it into the top ten, Sacramento (6th) and Santa Clara (8th).

Figure 3



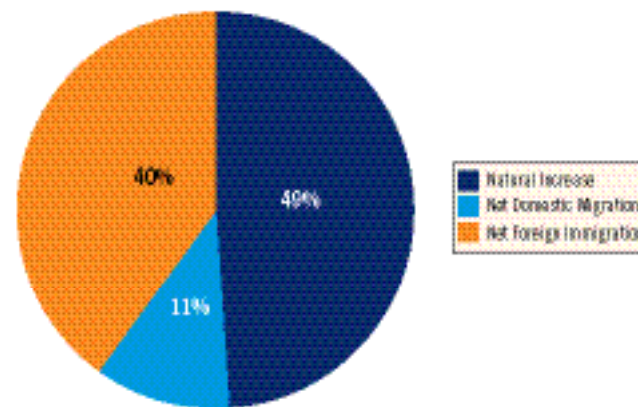
As to the rate of growth within the region in 2004, the three inland counties achieved significantly higher growth rates than the rest of the state (1.4 percent). Specifically, Riverside County achieved the highest growth rate of 3.8 percent in the state while Imperial and San Bernardino counties had the 3rd (3 percent) and 11th (2.5 percent) highest rates respectively. In contrast, for two consecutive years, the three coastal counties (Los Angeles, Orange and Ventura) all grew at slightly lower rates than the rest of the state.

The Inland Empire (Riverside and San Bernardino counties) captured 42 percent of the total growth in the region in 2004 due to significantly higher growth rates than the regional average, though its total population of 3.8 million was only 21 percent of the region's total. Another 42 percent of the total population growth in the region in 2004 occurred in Los Angeles County, lower than its share of 57 percent of the region's total population. Orange County, though with 17 percent of the region's total population, only attracted 12 percent of the total growth. Since 2000, the population growth share of Los Angeles County at 45 percent was significantly higher than its share of 35 percent during the 1990s, while the population growth share of Orange County at 14 percent was significantly lower than its share of 23 percent during the 1990s. For the Inland Empire, population growth share since 2000 at 36 percent was similar to that of the 1990s.

As to the sources of population growth in the region between 2000 and 2004, close to half (49 percent) was due to natural increase, 40 percent was from net foreign immigration and 11 percent from net domestic migration (Figure 4). Natural increase represents the difference between births and deaths. Compared to the past two decades, the period between 2000 and 2004 was the only period that Southern California experienced net domestic in-migration (Figure 5).

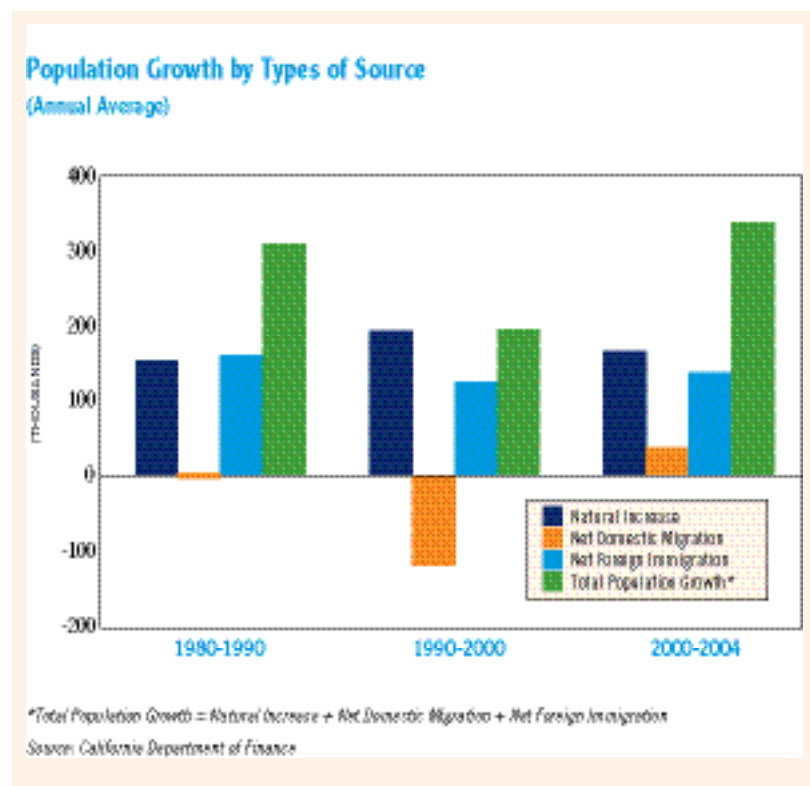
Figure 4

Population Growth by Types of Source 2000-2004



Source: California Department of Finance

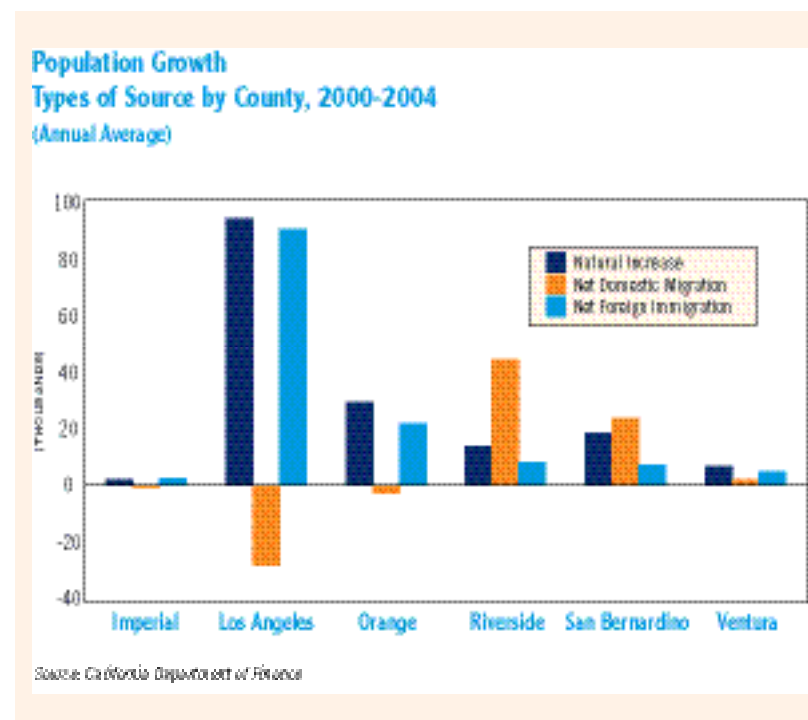
Figure 5



Within the region, natural increase, foreign immigration and domestic migration contributed differently to the population growth among different counties (Figure 6). Overall, *natural increase contributed much more significantly to the growth in the three coastal counties (Los Angeles, Orange and Ventura) and Imperial than the Inland Empire (Riverside and San Bernardino) where net domestic in-migration played a more important role.* For example, since 2000, while natural increase has accounted for 60 percent of the population growth in Orange County, it

has accounted for only 20 percent of the population growth in Riverside County. Conversely, since 2000, while net domestic in-migration has accounted for two-thirds of the population increases in Riverside County, Orange County experienced a total of 14,000 net domestic outmigration. Domestic migrants to the Inland Empire were primarily those who moved within the region (i.e. intra-regional migration), particularly from Los Angeles County.

Figure 6





Demographic Dynamics

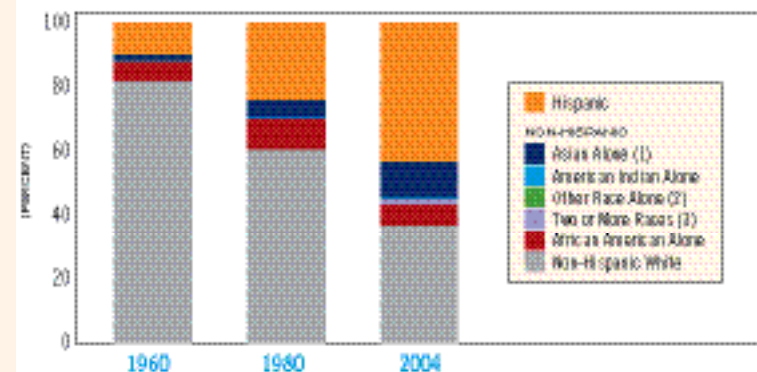
There are four important demographic dynamics at work in Southern California. They include the continuing change in the ethnic composition, longer settlement of the foreign-born population, growing share of the immigrants' second generation and the aging of the overall population. These four dynamics are interrelated and together they have significant implications for the future performance potential of Southern California.

As to the transformation in ethnic composition, between 1960 and 2000, the share of the Hispanic population increased from 10 percent to 41 percent while the share of the Asian population increased from 2 percent to over 10 percent. During the same period, the share of the non-Hispanic White population declined dramatically from about 80 to 40 percent. This ethnic transformation continued between 2000

and 2004 during which population growth continued to be almost exclusively among Hispanics and Asians. Between 2000 and 2004, about 78 percent of population growth was among Hispanics and 18 percent among Asians. Non-Hispanic Whites and African Americans together accounted for only about four percent of the population growth. Hence, between 2000 and 2004, while the share of the Hispanic population continued to increase, from 41 to 43 percent, the share of the non-Hispanic White population continued to decrease, from 40 to 37 percent. During this period, the share of the Asian population also increased from 10.5 percent to 11.1 percent while the share of African American population in the region dropped slightly to below 7 percent (Figure 7).

Figure 7

Population by Race and Ethnicity



Notes:

(1) "Asian Alone" also includes Pacific Islander.

(2) "Other Race Alone" is too small to be shown (at 0.3 percent in 2004).

(3) Only the 2004 data included the "Two or More Races" category to which people may choose to belong.

Source: U.S. Census Bureau. Data in 1980 was estimated by James Akin and Eugene Turner, 2002. *Changing Faces, Changing Places*.

In 2004, almost one out of six immigrants in the nation resided in Southern California. About 31 percent of the region's total population was foreign-born (immigrant) population. Recent immigrants to the U.S. have increasingly pursued economic opportunities in areas where fewer immigrants had lived previously. Between 1990 and 2000, 44 of the 50 states increased their shares of the arrivals of immigrants in the nation while only six experienced declines in their shares.² California's share of immigrant arrivals dropped from 38 percent to 25 percent during the 1990s, the largest decline (13 percent) among all states while no other states experienced a drop of more than 2 percent. The region's share of immigrant arrivals also fell sharply from about 22 percent to 12 percent between 1989 and 1999, just over half of the levels during the 1970s and 1980s.³ As a result, recent immigrants are increasingly less concentrated in the historical gateway regions particularly Southern California, and are becoming a little more dispersed throughout the nation.

The second important demographic dynamic is that the region's immigrant population has achieved longer settlement which has important implications for its overall level of socioeconomic well-being. In 2000, the SCAG region experienced a decrease in the new immigrant population compared to 1990, reversing a steady increase since 1970. For example, between 1970 and 1990, the region's new immigrant (arrived U.S. within the last 10 years) population increased from about 400,000 to 2.1 million while the settled immigrant population (arrived U.S. more than 10 years ago) increased from 580,000 to 1.9 million (Figure 8). Between 1990 and 2000, however, the new immigrant population decreased from 2.1 million to 1.8 million while the settled immigrant population continued to increase from 1.9 to 3.3 million. As to the share of

the total population in the region, new immigrants increased from 4 percent in 1970 to 14 percent in 1990 then decreased to 11 percent in 2000, while the share of the settled immigrant population increased continuously from just below 6 percent in 1970 to 20 percent in 2000 (Figure 9). At the state level, the share of new immigrants to the state population dropped just below 10 percent in 2000 from 11 percent in 1990, the first decline since 1970 or earlier, and is projected to decline further to about 7 percent in 2030.⁴ On the other hand, the share of the settled immigrants increased from about 11 percent in 1990 to 17 percent in 2000 and is projected to further increase to about 23 percent in 2030.⁵ The SCAG region is estimated to follow a similar trend as that at the state level.

Figure 8

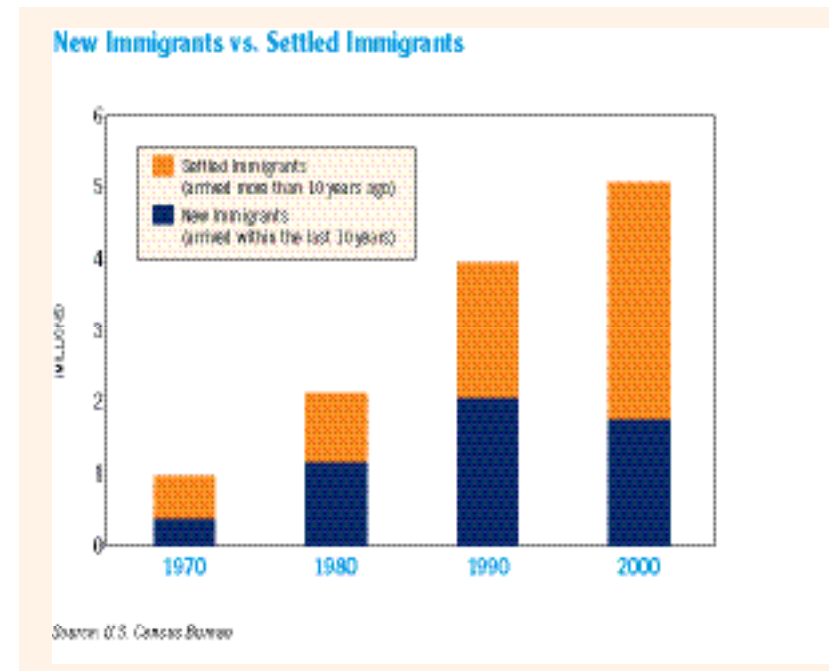
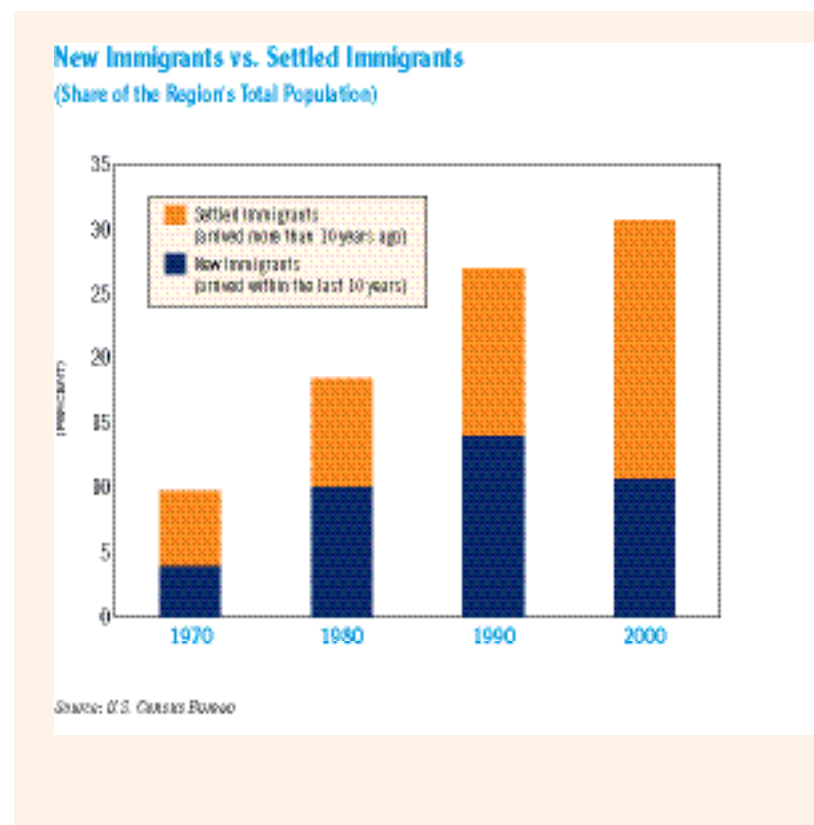


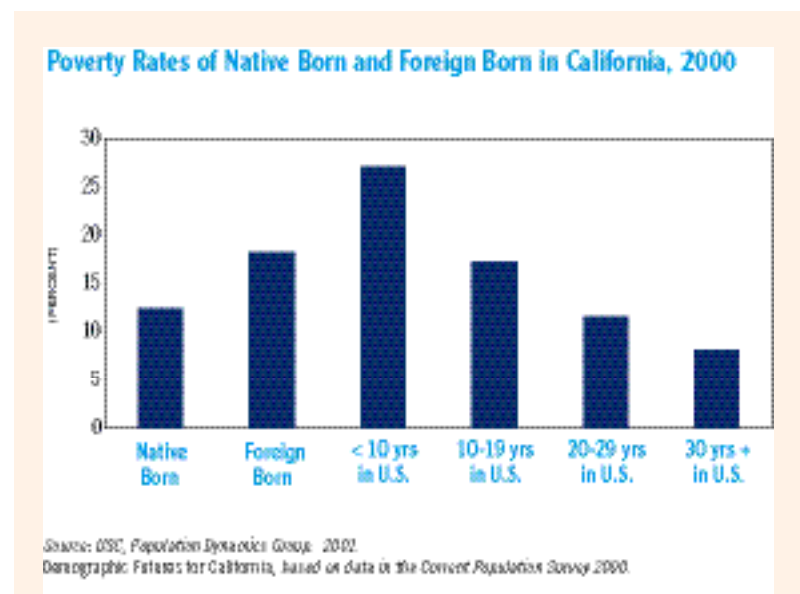
Figure 9



The level of socioeconomic well-being (e.g. educational attainment, household income, poverty rate, homeownership rate, etc.) of the immigrant population improves noticeably with the length of settlement.⁶ For example, in California, 27 percent of the immigrants who arrived in the U. S. within the last 10 years lived below the poverty line in 2000, compared to only 17 percent of the immigrants arriving between 10 to 19 years ago, 12 percent of immigrants arriving between 20 to 29 years ago and 8 percent of the immigrants arriving more than 30 years ago (Figure 10). The increasing share of settled im-

migrants also contributed to the increasing share of naturalized U.S. citizens among the immigrant population in the region. Between 1980 and 2000, the shares of the immigrant population who were naturalized U.S. citizens increased from 30 percent to 38 percent, still lower than the national average of 42 percent. Nevertheless, there were still many Southern California immigrants who are not eligible to become naturalized citizens regardless of the length of settlement because they are not legal U.S. residents. The maturing settlement of the immigrant population could bring positive performance outcomes for the region's future, particularly with supportive public policies.

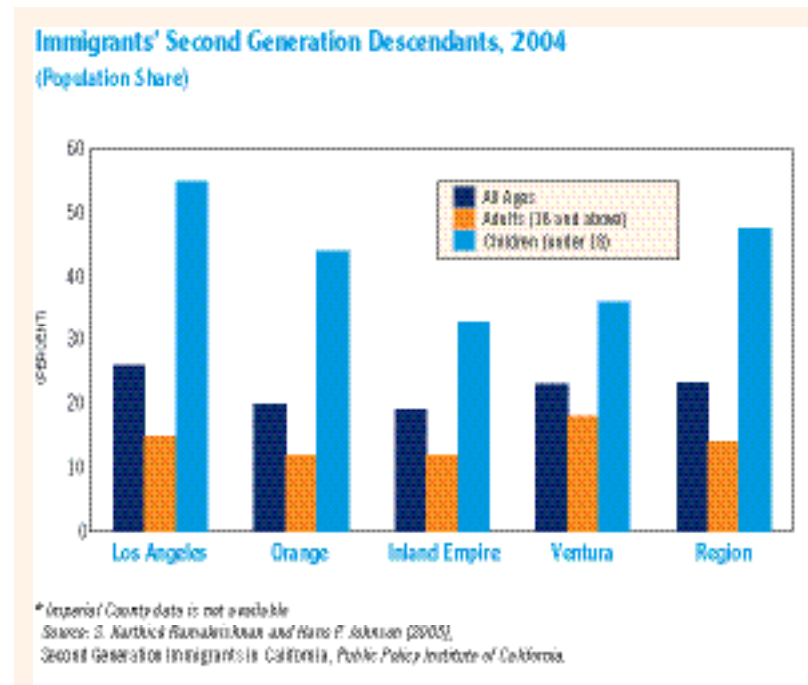
Figure 10



The growing share of settled immigrants also results in a growing share of the immigrants' second generation in the region, i.e. U.S-born residents with at least one foreign-born parent. Currently, about 23 percent (or 4.3

million) of the population in the region belongs to the immigrants' second generation.⁷ Immigrants' second generation descendants are much younger than the rest of the population, with more than half being children under 18 years of age, compared to only about 20 percent of the rest of the population. Among the total child population in the region, more than 45 percent belongs to the immigrants' second generation. Accordingly, the educational and occupational attainment of immigrants' second-generation, particularly children, will significantly impact the region's future performance.

Figure 11



Finally, the median age of the population in the region continued to rise over time. Median age increased from 30.7 in 1990 to 32.2 in 2000 and 33.3 in 2004.⁸ In 2004, the region continued to be younger than the state (34.2) and the nation (36.2). Among the nine largest metropolitan regions in the nation, the SCAG region continued to be the second youngest in terms of median age, following the Dallas region (32.8). The share of people 60 years and over increased slightly from 13 percent to 13.4 percent between 2000 and 2004. The growing share of the immigrants' second generation contributed to the slower pace of aging process in Southern California than in the rest of the nation.